

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

KATHLEEN HODSON )  
Plaintiff, ) Civil Action No. 03 - 0374  
vs. )  
INTEGRATED HEALTH SERVICES )  
LONG TERM CARE, INC. d/b/a )  
IHS AT BAYSIDE, )  
Defendant. ) Judge Maurice B. Cohill, Jr.

APPENDIX FOR EXHIBITS TO BRIEF IN SUPPORT OF  
MOTION FOR SUMMARY JUDGMENT

# |

- A. Affidavit of Sheila Rist
- B. Deposition transcription Kathleen Hodson
- C. LPN job duty description
- D. Medical slips
- E. Light duty status slips
- F. Letter dated February 19, 2002, from Carol Kovski
- G. Memo regarding hot packs
- H. Affidavit of Carl Kovski
- I. Affidavit of Dave Dinges
- J. Affidavit of Kathleen Mannion
- K. Affidavit of Roger Watkins

- L. Affidavit of Jennifer Heiser
- M. Employee Counseling Forms for Kathleen Hodson
- N. Punch detail report
- O. Patient list for Northwest Mall and Ambassador Mall for May 17, 2005
- P. Affidavit of Ray Martinez
- Q. Disciplinary Action Form for Kathleen Hodson, May 17, 2005
- R. Affidavit of Maureen Magraw
- S. Affidavit of Carmen Callicott
- T. Affidavit of Donna Marsili
- U. Executed Employee Corporate Compliance Acknowledgments signed by Kathleen Hodson

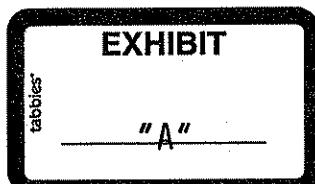
IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

KATHLEEN HODSON )  
Plaintiff, ) Civil Action No. 03 - 0374e  
vs. )  
ALPINE MANOR, INC. d/b/a )  
INTEGRATED HEALTH SERVICES )  
OF ERIE AT BAYSIDE )  
Defendant. ) Judge Maurice B. Cohill, Jr.

**AFFIDAVIT OF SHEILA RIST**

I, Sheila Rist, do hereby depose and voluntarily state:

1. I have personal knowledge and I am competent to testify as to the matters set forth herein.
2. I am employed at Integrated Health Services of Bayside (hereinafter "IHS") as the Human Resources Manager. IHS of Erie at Bayside is a skilled nursing facility that believes that its patients should receive the highest quality of patient care. This entails the facility meeting at all times all local, state and federal laws and regulations, as well as established Company policies and procedures. To this end, IHS insists that its staff strictly adhere to facility policies.
3. Kathleen Hodson was employed at IHS as an LPN at IHS from on or about May 15, 1997 until May 17, 2002. Ms. Hodson was injured at work on or about



March 30, 2001 and she filed a worker's compensation claim. She was off work for a short period of time and returned to light-duty status. Ms. Hodson was released to full-duty by the employer's doctor, however, Ms. Hodson complained that she was not well enough to return to full duty. A true and correct copy of the release to full-duty is attached hereto as Exhibit "A." Thereafter, IHS sent her to a different doctor and Ms. Hodson was returned to a light duty status. She remained on light duty status from July 6, 2001 until her separation from the company, once in a while taking time off work because of alleged back pain. During this period, she generally worked with a 20-30 pound lifting restriction. A true and correct copy of Hodson's physician notes are attached hereto as Exhibit "B."

4. Ms. Hodson went out on a temporary leave in the beginning of 2002. When she returned to light duty on March 28 2002, correspondence was sent to her from Carl Kovski, outlining her light duty assignments. Attached hereto as Exhibit "C" is a copy of this correspondence, a copy of the light duty restriction and a copy of the light duty job description.

5. IHS accommodated Ms. Hodson based on the recommendations of her doctor. IHS made accommodations for Ms. Hodson such as having other employees push the medication cart down the hall and assist her when needed with patient care. She was also permitted to go to the physical therapy room and put hot packs on her back and lay down on the therapy mats during breaks. Ms. Hodson put this request in writing and Mr. Kovski approved it. A copy of Ms. Hodson's written request and approval by Mr. Kovski is attached hereto as Exhibit "D." To my knowledge, Ms. Hodson was informed to follow her restrictions and she would not be asked to perform

duties outside of her light duty job description. I am not aware of any request for reasonable accommodations that was made by her and denied by IHS

6. To my knowledge, Ms. Hodson was not disabled in any way, nor did I perceive her as being disabled. She never claimed to be disabled. She simply was on light duty status from an injury and occasionally took time off from work due to alleged pain.

7. Ms. Hodson often was overly dramatic about her physical limitations and it was my impression that she did not want to work and would do just about anything to get out of performing an assigned task. She would complain that there was no one around to help her, but there were always nurses aides assigned to every hall and all she had to do was ask. She complained she did not want to perform certain tasks, even though those tasks were within her light duty restrictions.

8. Ms. Hodson was reprimanded several times during the course of her employment for insubordination and failure to follow proper policy and procedures. Ms. Hodson's personnel file shows she was reprimanded as follows: (1) August 21, 1997, for failure to follow proper policy and procedure in re-capping a lancet, which caused a needle stick to herself; (2) August 22, 1997 for giving the wrong medication to a patient and failing to call physician and document file upon discovery of mistake; (3) December 1, 1997 failure to follow medication administration policy by giving a patient the wrong medication; (4) December 3, 1997 for failure to follow proper documentation procedure; (5) December 29, 1997, for failure to follow physician orders with a patient; (6) December 18, 1998, for failure to meet minimum standards are care of patients; (7) April 2, 1998, for failing to remove an IV from a patient in a timely manner; (8) February

25, 1999 for failing to properly document failure to provide treatment or explain why treatment was not provided; (9) June 6, 2001, verbal warning for improper documentation; (10) November 11, 2001, verbal warning for excessive absenteeism; (11) January 29, 2002 for failing to properly sign in and out for lunch and breaks; (12) May 14 2002, for failing to properly complete a narcotic count and document file A true and correct copy of these documented verbal and written warnings are attached hereto as Exhibit "E." Ms. Hodson could have been terminated for several of these infractions, however, IHS counseled Ms. Hodson and continued to employ her.

9. On May 17, 2002, Ms. Hodson was assigned to work on the Northwest Hall. IHS was staffed challenged on this date and it was necessary to adjust staff assignments to cover the care for all the patients. When Ms. Hodson reported to work, she clocked in and saw her assignment to the Northwest Hall. A true and correct copy of her punch card for May 17, 2002 is attached as Exhibit "F."

10. I was present when Ms. Hodson spoke with Dave Dinges about her hall assigned, as was Kathy Mannion. Ms. Hodson told Mr. Dinges that she could not work on Northwest Hall and claimed she was only permitted to work on Ambassador Hall. Mr. Dinges asked her why she could not work on Northwest Hall and she did not provide a reason. Ms. Hodson's claim that she was unable to work that Hall was invalid because her restrictions would be considered in either Hall. On May 17, 2002, the patient load in the Northwest Hall was similar to the Ambassador Hall Ms. Hodson wanted to work on. A true and correct copy of the patient list is attach as Exhibit "G."

11. Mr. Dinges told Ms. Hodson that her assignment to Northwest Hall would stand and that it did not violate her restrictions. He stated that she could either work Northwest Hall or if she left she would no longer be employed for refusing the job assignment. Ms. Hodson said she was leaving and she punched out and left the facility. See Exhibit "F." Also attached as Exhibit "H" are the notes I took documenting this incident. When she walked off the job, she was in violation of IHS policy as she abandoned her patients without adequate notice or without finding a replacement. As a nurse at IHS, every employee is responsible for every patient in the building.

12. While it may be true that Ms. Hodson generally worked on Ambassador Hall, her restrictions did not prevent her from performing the same job duties on a different hall. No nurse is permanently assigned to a specific hall at IHS, as staff are rotated around the various halls when necessary to ensure coverage of care for all the patients. To my knowledge, Ms. Hodson was never specially assigned to Ambassador Hall by anyone at IHS, but she worked on Ambassador Hall on regular basis.

19. After Ms. Hodson walked out, Mr. Dinges filled out a Disciplinary action form documenting what occurred, as explained above. A copy of this disciplinary action form is attached as Exhibit "I." Ms. Hodson was not fired. She voluntary quit her position when she refused to work on the Northwest Hall and abandoned her patients. I also filled out the appropriate paperwork, noting Ms. Hodson's separation from the company was due to job abandonment.

20. With respect to Ms. Hodson's allegations of discrimination, harassment and retaliation by Dave Dinges and Roger Watkins, I believe her allegations to be

baseless and unfounded. I never witnessed Mr. Dinges or Mr. Watkins treating Ms. Hodson inappropriately. Any employment decisions made with respect to Ms. Hodson's employment at IHS were made for legitimate business reasons having nothing whatsoever to do with Ms. Hodson's allegations. Although she did make general venting type complaints to me about management of IHS in general, she never claimed that she was being discriminated against, harassed or retaliated against.

21. If Ms. Hodson wished to file a complaint, about any manner, she could have done so through my office, through the Administrator, Carl Kovski, corporate headquarters and there was a 1-800 hot line that employees could call. These procedures were outlined in the employee handbook and employees were advised of these procedures upon hire. A copy of the employee handbook is attached hereto as Exhibit "J." Furthermore, the 1-800 hotline number was posted throughout the facility and employees had access to call this hotline at anytime. As far as I am aware, Ms. Hodson never filed any complaints against Mr. Dinges or Mr. Watkins, nor did she call the 1-800 hotline.

22. Ms. Hodson had a problem with David Dinges because he held her to her job requirements and would not let her neglect her work. This is how Mr. Dinges treated all employees at IHS, as his main objective was quality care for the patients.

23. Mr. Watkins is openly gay and Ms. Hodson is open about her religious convictions. Ms. Hodson had a problem with Mr. Watkin's sexual preference and they generally had personality conflicts because of this.

24. I never heard Mr. Watkins or Mr. Dinges disparage Ms. Hodson based on her religious beliefs and Ms. Hodson never made any such complaints. She never complained about an incident involving statements allegedly made by Mr. Dinges questioning whether Ms. Hodson "laid her hand on patients and healed them" or that he posted a note on the pin-up board that disparaged Ms. Hodson's religion. Ms. Hodson never complained to me that Mr. Watkins threw a box of lancets to her and joked about her physical ability to catch the small box. She never complained that he made statements about wanting to give patients flu shots in their butts, or him joking about how Attends would not fit him because of his physical endowments. She never complained that he talked about wanting "to do it with a priest." I never heard any complaints that Mr. Watkins pinched Ms. Callicott's nipples, nor did Ms. Callicott complain of such misconduct. I never witnessed any of these incidents, and no other employee complained of such conduct. In fact, no other employee made any complaints against Mr. Dinges or Mr. Watkins based on religious discrimination, sexual harassment or any type of discrimination or harassment. These allegations only were made by Ms. Hodson after she quit her position. In fact, I was shocked to hear of these complaints.

I have read and had an opportunity to correct this Affidavit consisting of 7 pages and I hereby verify under penalty of perjury that the statements contained in this Affidavit are true and correct to the best of my knowledge and belief.

Dated: 07-28-2005

Sheila K. Rist  
Sheila Rist

Patient's Name Kathleen Hodson Date \_\_\_\_\_

No work until next appointment \_\_\_\_\_

Return to work date \_\_\_\_\_

\* Restrictions:

Lifting \_\_\_\_\_ Lbs. \_\_\_\_\_

Squatting \_\_\_\_\_

Standing \_\_\_\_\_

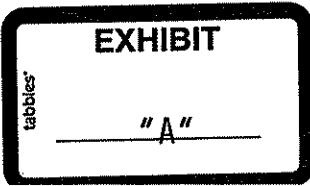
Sitting \_\_\_\_\_

Continue current restrictions  for now, then \_\_\_\_\_

Follow-up appointment \_\_\_\_\_ full duty  
7/1/01.

Physician \_\_\_\_\_

Orthopaedic Surgeons, Inc.  
204 West 26th Street  
Erie, PA 16508



THIS FORM IS TO BE FILED WITH THE EMPLOYER OR INSURER ACCORDING TO INSTRUCTIONS PROVIDED ON THIS FORM.

Name of Employee KATHLEEN HODSON

Name of Employer IHS AT BAYSIDE

Name of Insurer IHS OF ERIE AT BAYSIDE

Claim Number (if known) C 395 C 525 7989 Date of Birth 11/26/46

Employee SS# 200-34-7211 Date of Injury 3/30/01

Date of Report 3/15/02

Provider Name ORTHOPAEDIC & SPORTS MEDICINE

03/05/02	KATHLEEN HODSON	
DATE	NAME	REFERRING PHYSICIAN
<p>The patient apparently has not returned to work because of her severe pain and her family physician kept her off work for some period of time. She states that the pain is worsening. It is in her back and now it is going to her left leg as well. She has been taking muscle relaxants and Darvocet. She tells me that she just knows she is not capable of working. She did see Dr. Falasca for initial evaluation and injections are going to be carried out on March 14th. At her request, I have given her a slip that she can be off work for two weeks to facilitate the injections. I gave her a prescription for Darvocet N 100-30 with two refills. I gave her the benefit of the doubt, however, I think that her complaints are out of proportion to the MRI findings that we have been able to ascertain up until this point in time.</p> <p>John J. Euliano, Jr., M.D./cao</p>		

Providers may not charge for documentation supporting a claim for payment. Providers may charge their usual fee for special reports specifically requested by the Employer/Insurer. All patient information shall be submitted with the knowledge of the patient and must be maintained as confidential by the Employer/Insurer. The insurance plan or program shall not be liable to pay for treatment until the report/claim form has been filed.

Listed on the reverse are guidelines for the completion of this form.

EXHIBIT

"B"

Patient name : Kathleen Hodson

Eval date: 12-18-01

Referral source: Dr. M. Ang

Dx: Lumbar Disc HNP

<u>LIFTING TOLERENCES:</u>	Occasional	Frequent	
<i>Floor to Knuckle:</i>	20#	10#	
<u>POSITIONAL TOLERANCES:</u>	Occasional (0-33%)	Frequent (34-66%)	Constant (67-100%)
<i>Sit:</i>		X	
<i>Stand:</i>		X	
<i>Walk:</i>	X		
<i>Squat:</i>	X		
<i>Kneel:</i>	unable		
<i>Climb Stairs:</i>		X	
<i>Reach Forward:</i>		X	
<i>Reach Overhead:</i>		X	
<i>Use Foot Pedals:</i>		X	
<i>Grip Firmly:</i>		X	
<i>Fine Manipulation:</i>		X	
<i>Static Head:</i>		X	
<i>Trunk Bend:</i>	X		
( )			
( )			

RESULT: The client demonstrated the ability to work in the LIGHT classification category for an 8 hour day. ( According to the US Department of Labor Standards.)

Signed: Evaluator: D. Fulmy, PT Date: 12-18-01

PHYSICIAN : (I concur with the above, with changes as indicated)

Physician signature here : \_\_\_\_\_ Date: \_\_\_\_\_

DEA #

868-3096-11 AM

ORTHOPAEDIC AND SPORTS MEDICINE OF ERIE, P.C.

300 State Street, Suite 400A • Erie, PA 16507 • (814) 454-8287

Nick Stefanovski, M.D.

PA Lic. No. MD-039774-E

Gary J. Corlina, M.D.

PA Lic. No. MD-039260-E

John Euliano Jr., M.D.

PA Lic. No. MD-012162-E

David M. Babins, M.D.

PA Lic. No. MD-044724-L

Kathy M. Sullivan, PA-C

PA Lic. No. MA-002986-L

NAME Kathleen Johnson

ADDRESS \_\_\_\_\_

DATE 12/7/01

Patient may work sedentary duty only  
pending results of MRI

Refill \_\_\_\_\_ times PRN NR

SUBSTITUTION PERMISSIBLE

IN ORDER FOR A BRAND NAME PRODUCT TO BE DISPENSED, THE PRESCRIBER MUST HANDWRITE

"BRAND NECESSARY" OR "BRAND MEDICALLY NECESSARY" IN THE SPACE BELOW.

*J. E. Johnson, M.D.*

DEA # \_\_\_\_\_

BAYVIEW MEDICAL GROUP  
GEOFFREY BURBRIDGE, M.D.  
ANNE-MARIE LISZKA, D.O.  
MARY ANN ANDRIOLE-WENDEL, D.O.  
LISA REMALEY-WALTERS, M.D.  
140 WEST SECOND STREET, SUITE 203  
ERIE, PA 16507  
814-877-5040

PA Lic No. MD-023456-E  
PA Lic No. OS-007550-L

PA Lic No. OS-006569-L  
PA Lic No. MD-062655-L

NAME Kathleen Hadson

ADDRESS \_\_\_\_\_ DATE 9/11/01

Rx (Please Print)

excuse pt from  
work x 1 week  
due to leg pain

REFILL \_\_\_\_\_ TIMES PRN NR

SUBSTITUTION PERMISSIBLE QY> (liszka)

IN ORDER FOR A BRAND NAME PRODUCT TO BE DISPENSED,  
THE PRESCRIBER MUST HANDWRITE BRAND NECESSARY OR  
BRAND MEDICALLY NECESSARY IN THE SPACE BELOW.

14-MAY-99

01-100572860-3-9155\_0002

MARY ANN ANDROILE-WENDEL, D.O.

ANNE-MARIE LISZKA, D.O.

306 WEST 11TH STREET

ERIE, PA 16501

814-456-8105

PA Lic No. OS-007550-L

PA Lic No. OS-006569-L

NAME Kathleen HodsonADDRESS \_\_\_\_\_ DATE 2-18-02

Rx (Please Print)

Excuse from work  
tie or no tie

April 1<sup>st</sup>

- pt = medical  
condition.

REFILL \_\_\_\_\_ TIMES PRN NR

SUBSTITUTION PERMISSIBLE M. Wendel D.O.IN ORDER FOR A BRAND NAME PRODUCT TO BE DISPENSED,  
THE PRESCRIBER MUST HANDWRITE BRAND NECESSARY OR  
BRAND MEDICALLY NECESSARY IN THE SPACE BELOW.

04-SEP-01

TRI010904\_100173494-1\_01\_25993\_0010

DEA # \_\_\_\_\_

MARY ANN ANDROILE-WENDEL, D.O.

ANNE-MARIE LISZKA, D.O.

306 WEST 11TH STREET

ERIE, PA 16501

814-456-8105

PA Lic No. OS-007550-L

PA Lic No. OS-006569-L

NAME Kathleen HodsonADDRESS \_\_\_\_\_ DATE 2/14/02

Rx (Please Print)

excuse pt from work

2/14, 2/15, 4/16, 4/17

due to back strain

REFILL \_\_\_\_\_ TIMES PRN NR

ASSUBSTITUTION PERMISSIBLE AS D.O.IN ORDER FOR A BRAND NAME PRODUCT TO BE DISPENSED,  
THE PRESCRIBER MUST HANDWRITE BRAND NECESSARY OR  
BRAND MEDICALLY NECESSARY IN THE SPACE BELOW.

04-SEP-01

TRI010904\_100173494-1\_01\_25993\_0010

THIS FORM IS TO BE FILED WITH THE EMPLOYER OR INSURER ACCORDING TO INSTRUCTIONS PROVIDED ON THIS FORM.

Name of Employee KATHLEEN HODSON

Name of Employer IHS AT BAYSIDE

Name of Insurer IHS OF ERIE AT BAYSIDE

Claim Number (if known) C 395 C 525 7989 Date of Birth 11/26/46

7/6/01	KATHLEEN HODSON	
--------	-----------------	--

DATE

NAME

REFERRING PHYSICIAN

**CHIEF COMPLAINT:** This is a 54 y.o. white female who was seen with the chief complaint of back pain. The patient states that on March 30<sup>th</sup>, 2001 while at work at the IHS at Bayside, she was lifting a resident that began to fall and she twisted and noted pain in her back. She subsequently had x-rays at St. Vincent's of the thoracic and lumbosacral spines on April 4<sup>th</sup>, 2001. These were normal. And she had an MRI of at the Imaging Center of the lumbar spine on 5/17/01, which showed a herniated disc L4-5 centrally. She had an MRI of her thoracic spine, which was negative. She has been treated by Dr. Ferris and was referred to Dr. Buseck and was told she can go back to work with no restrictions. She is currently on light duty with a 30-pound weight limit. Medications are Feldene and she takes extra-strength Tylenol and an occasional Flexeril. She has some radiation of the pain to her lower extremities but this was no a problem and feature of her disease.

**PHYSICAL EXAMINATION:** On physical examination today she is tender over the lumbar spine. She flexes to 80 degrees. Extension is 10 degrees. Straight leg raising is slightly positive on the left at about 60 degrees. It's negative on the right. Reflexes are 2+ at her knees and her ankles.

**IMPRESSION:** The impression is that of a herniated lumbar disc at L4-5.

DATE

NAME

REFERRING PHYSICIAN

**RECOMMENDATIONS:** I would recommend a light duty restriction with a 30-pound weight lifting limit. It more than likely will be permanent.

John J. Euliano, Jr., M.D./mk

cc: Dr. Mary Ann Wendel

The following descriptions are provided as a clarification for the terms typically used to describe an injured employee's restricted work level. Use them to interpret the enclosed PATIENT STATUS REPORT that has been forwarded to you regarding your employee.

Please give detailed consideration to the defined classifications in conjunction with any other work limitations noted on the report.

*Please feel free to call us if you have any questions! Thank you.*

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**SEDENTARY WORK** - Lifting 10 pounds maximum and occasionally lifting and/or carrying such articles as dockets, ledgers and small tools. Although a sedentary job is defined as one which involved sitting, a certain amount of walking and standing is often necessary in carrying out job duties. Jobs are sedentary if walking and standing are required only occasionally and other sedentary criteria are met.

**LIGHT WORK** - Lifting 20 pounds maximum with infrequent lifting and or carrying and/or carrying of objects weighing up to 10 pounds. Even though the lifted weight may be only a negligible amount, a job is in this category when it requires walking and standing to a significant degree or when it involves sitting most of the time with a degree of pushing and pulling or arm and/or leg controls.

**LIGHT MEDIUM WORK** - Lifting 30 pounds maximum with frequent lifting and/or carrying of objects weighing up to 20 pounds.

**MEDIUM WORK** - Lifting 50 pounds maximum with frequent lifting and/or carrying of objects weighing up to 25 pounds.

**LIGHT HEAVY WORK** - Lifting 75 pounds maximum with frequent lifting and/or carrying of objects weighing up to 40 pounds.

**HEAVY WORK** - Lifting 100 pounds maximum with frequent lifting and/or carrying of objects weighing up to 50 pounds.

**OCCASIONAL** - Activities that are performed up to  $\frac{1}{3}$  of the work day.

**FREQUENT** - Activities that are performed up to  $\frac{2}{3}$  of the work day.



February 19, 2002

Certified 7000 1530 5531 5491

Ms. Kathy Hodson  
2201 Keystone Drive  
Erie, PA 16509

Ms. Hodson:

You will be receiving in the mail from Crawford, Slevin & Hicks, your short term disability papers. When you receive these papers there will be forms for you to fill out and for your physician to fill out. The employer will also have forms to fill out. Please return all completed forms to IHS Human Resources to be overnighted to Crawford, Slevin & Hicks. (Do not let your physician mail them; this delays the process.) Crawford, Slevin & Hicks will then review all forms to ensure everything is filled out.

At this time the facility still has light duty work available within your 20lb. max of weight lifting. Enclosed is a copy of your light duty job description, as well as the copy you gave us of functional capacity evaluation signed and dated December 18, 2001. These light duty jobs are well within the functional capacity range. Please review these with your physician. If there is something that your physician feels you should not do please have your physician specify.

Please contact the Administrator, Carl Kovski, by February 27, 2001 to set up a time to verify your return to work date, and to go over the light duty job description.

  
Carl Kovski, NHA  
Administrator

CC: Evan J. Jenkins, Esquire  
Lisa Williams of ESIS

Enclosure

EXHIBIT

stubs

"C"

~~FUNCTIONAL CAPACITY ASSESSMENT~~  
SUMMARY PAGE

Patient name : Kathleen Hodson

Eval date: 12-18-01

Referral source: Dr. M. Ang

Dx: Lumbar Disc HNP

LIFTING TOLERENCES:      Occasional      Frequent

Floor to Knuckle:      20#      10#

Knuckle to Shoulder:      10#      did not demonstrate

Carry:      17#      did not demonstrate

POSITIONAL TOLERENCES:      Occasional  
(0-33%)      Frequent  
(34-66%)      Constant  
(67-100%)

Sit:      X

Stand:      X

Walk:      X

Squat:      X

Kneel:      unable

Climb Stairs:      X

Reach Forward:      X

Reach Overhead:      X

Use Foot Pedals:      X

Grip Firmly:      X

Fine Manipulation:      X

Static Head:      X

Trunk Bend:      X

(      )

(      )

RESULT: The client demonstrated the ability to work in the LIGHT classification category for an 8 hour day. ( According to the US Department of Labor Standards.)Signed: Evaluator: D.Feltmeyer PT Date: 12-18-01

PHYSICIAN : (I concur with the above, with changes as indicated)

Physician signature here : \_\_\_\_\_ Date: \_\_\_\_\_

**• CHECK IN WITH THE SUPERVISOR UPON ARRIVAL  
FOR ASSIGNMENTS**

**\*LIST ALL DUTIES THAT ARE COMPLETED DURING  
THE SHIFT AND GIVE TO THE SUPERVISOR BEFORE  
LEAVING**

-MA-51 FROM BUSINESS OFFICE

-IDDS COMPLETION

-THIN CHARTS (GET DIRECTION FROM C. COVERDALE AND  
ALL CHARTS NEED THINNED)

-DINING ROOM - MONITOR AND FEED AT ALL MEALS DURING  
YOUR SHIFT-WEEKDAYS AND WEEKENDS

-NURSING ASSESSMENTS

-WARD CLERK DUTIES ON WEEKENDS AND WARD CLERKS  
DAYS OFF

-CHECK ALL DOOR NAME PLATES FOR ACCURACY AND  
REPLACE

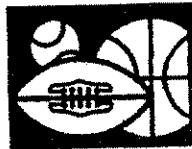
-CHECK ALL RESIDENT NAME BANDS AND REPLACE

-SCHEDULING- CHECK WITH CAROL OTIS

-OTHER DUTIES AS ASSIGNED

-COPYING

SCHEDULED WORK HOURS WILL BE 7:00AM to 3:30PM.



## Orthopaedic and Sports Medicine of Erie

300 State Street • Suite 400A • Erie, Pennsylvania 16507  
(814) 454-8287 • FAX (814) 454-8470

Nick Stefanovski, M.D.  
Gary J. Cortina, M.D.  
John J. Euliano, Jr., M.D.  
David M. Babins, M.D.  
Kathy Sullivan, PA-C

DATE: 2-11-02

TO WHOM IT MAY CONCERN:

Hanson, Kathleen IS RELEASED TO

RETURN TO WORK ON 2-11-02

RETURN TO:                    REGULAR DUTY                    HOURS

X LIGHT DUTY                    HOURS

RESTRICTIONS: 20° LEFT ROTATION

John Euliano, Jr., M.D.

## WORKERS' COMPENSATION MEDICAL REPORT FORM

THIS FORM IS TO BE FILED WITH THE EMPLOYER OR INSURER ACCORDING TO INSTRUCTIONS PROVIDED ON THIS FORM.

Name of Employee KATHLEEN HODSON

Name of Employer IHS AT BAYSIDE

Name of Insurer IHS OF ERIE AT BAYSIDE

Claim Number (if known) C 395 C 525 7989 Date of Birth 11/26/46

7/6/01	KATHLEEN HODSON
--------	-----------------

**IMPRESSION:** The impression is that of a herniated lumbar disc at L4-5.

DATE

NAME

REFERRING PHYSICIAN

**RECOMMENDATIONS:** I would recommend a light duty restriction with a 30-pound weight lifting limit. It more than likely will be permanent.

John J. Juliano, Jr., M.D./ink

cc: Dr. Mary Ann Wendel

Carl,  
Dorothy says I can <sup>4.3. C. OK per  
Kanak</sup> lie on a hot pack  
on my 10 min break  
if you give per-  
mission. I really  
need it. ~~KH~~ Please call or  
~~call me~~ or email.

EXHIBIT

"D"

EMPLOYEE COUNSELING FORM

DATE:

EMPLOYEE: Hodson K. LPN

PROBLEM:

Failure To Follow Correct Policies & Procedures.  
LPN Hodson had capped a "used" lancet which resulted  
in a needle stick. IT IS Policy STATE NO  
Recapping of SHARPS for any reason.

STATEMENT BY EMPLOYEE:

RESOLUTION OF PROBLEM OR ACTION TAKEN:  
SHARPS ARE NOT TO BE RECAPED FOR ANY REASON, AT ANY TIME.  
YOU NEED TO REVIEW POLICIES IN THE INFECTION CONTROL  
MANUAL. FAILURE TO COMPLY w/ POLICIES IN THE  
FUTURE WILL RESULT IN DISCIPLINARY ACTION OR TERMINATION!

David W. Dugan, RN  
8/21/97  
Gloria M. Martin 3/22/97

Kathleen Hodson, RN 8-21-97

EMPLOYEE COUNSELING FORM

EXHIBIT

"E"

**EMPLOYEE COUNSELING FORM**

DATE:

EMPLOYEE:

8/21/97

Hudson K. LPN

PROBLEM:

Failure To Follow Correct Policies & Procedures.  
LPN Hudson recapped a "used" lancet which resulted  
in a needle stick. ITBS Policy STATE NO  
Recapping of SHARPS for any reason.

STATEMENT BY EMPLOYEE:

RESOLUTION OF PROBLEM OR ACTION TAKEN:

SHARPS are NOT to Be Recapped for any reason, @ any time.  
You NEED to review Policies & the infection control  
Manual. Failure to comply w/ Policies in the  
future will result in Disciplinary ACTION OR TERMINATION!

David W. Dugan, RN  
8/21/97  
Jotable Therapist 8/22/97

Kathleen Stoddy, RN 8/22/97  
Signature of Employee

**EMPLOYEE COUNSELING FORM**

EMPLOYEE COUNSELING FORM

DATE:

22 Aug 97

EMPLOYEE: Hodson K. LPN

PROBLEM:

PEDICATION ERROR - ON 21 Aug 97 LPN Hodson ADMINISTERED Valium 5mg to A RESIDENT INSTEAD OF Oxycontin 50, AS PER PHYSICIAN ORDERS. THE RESIDENT HAD NO VALIUM ORDERS. THE ERROR WAS DISCOVERED DURING THE NARCOTIC COUNT @ THE END OF THE SHIFT WHEN THE COUNT WAS FOUND INCORRECT. WHEN THE ERROR WAS DISCOVERED THE PHYSICIAN WAS NEVER NOTIFIED AND THERE WAS NO DOCUMENTATION THAT THE RESIDENTS STATUS WAS EVALUATED!

STATEMENT BY EMPLOYEE

[REDACTED]

RESOLUTION OF PROBLEM OR ACTION TAKEN:

This was a serious error which had great potential to cause harm to the resident. Best care must be given when ADMINISTERING NARCOTICS and/or ANY MEDICATION. You will BE SUSPENDED next occurrence without pay. Should an INCIDENT of such nature occur again DISCIPLINARY ACTIONS and/or TERMINATION will result.

Kathleen Hodson LPN 8-22-97  
Signature Date 8/22/97  
Gatherer Warden RN

EMPLOYEE COUNSELING FORM

**EMPLOYEE COUNSELING FORM**

*Verbal Warning*

DATE:

12/1/97

EMPLOYEE:

Kathy Hodson

**PROBLEM:**

failure to follow medication administration policy +  
procedures. On 11/25/97 @ 9pm you administered MS IR  
30mg to ES instead of MS Contin 30mg.

**STATEMENT BY EMPLOYEE:**

**RESOLUTION OF PROBLEM OR ACTION TAKEN:**

It is your responsibility as the nurse administering medications to verify you are administering the correct medication to the correct resident at the correct time. Further occurrences of this nature will result in suspension +/or termination.

*Douglas R* 12/1/97

*Kathleen Hodson* 12-1-97

*Presented by [Signature]*

**EMPLOYEE COUNSELING FORM**

EMPLOYEE COUNSELING FORM

Verbal  
warning

DATE: 12-3-97

EMPLOYEE

Kathleen Hodson LPN

PROBLEM:

Incomplete documentation is incomplete  
for 12/2 for 4 assignment 4547.

STATEMENT BY EMPLOYEE:

RESOLUTION OF PROBLEM OR ACTION TAKEN:

It is your responsibility to complete accurately  
NO PRESCRIPTIONS OR ELSE ASURE THAT  
these are complete before the end of  
your shift. further dispensing will be  
fined - will result in further disciplinary actions  
Kathleen Hodson 12-3-97

Kathleen Hodson LPN 12-3-97

EMPLOYEE COUNSELING FORM

**EMPLOYEE COUNSELING FORM**

DATE:

12.29.97

EMPLOYEE Kathleen Nodson (LPN)

## PROBLEM:

Failure to follow documented physician

ORDERS: Resident 492 found on floor 12.28.97 815 AM.  
HAD ONLY: Sierra II T placed in bed - HAS ORDER  
 FOR ALL (4) 1/2 RAIS TO BE ↑ WHEN RESIDENT IS IN  
 BED. Resident goaded employee re. stating  
 "Well he's alert enough - he should have  
 1/2 TO THE SIDE. THAT ALL RAIS WERE SUPPOSED TO BE ↑

## STATEMENT BY EMPLOYEE:

Employee advised CNA to transfer  
 resident to bed.

I was not in room when resident  
 was put into bed.

\* I did not say "well he's alert  
 enough".

Lillian Bailey was a witness to what I said

## RESOLUTION OF PROBLEM OR ACTION TAKEN:

January

12.29.97

Kathleen Nodson

**EMPLOYEE COUNSELING FORM**

Verbal WarningDATE 2-18-98EMPLOYEE: Kathy Hodson LPN

PROBLEM  
Failure to meet minimum standards of care! Resident [REDACTED] ordered for daily wts on 3-11 shift. No weights obtained on this resident since 2-5-98. This resident can fill & fluid and go into CHF very quickly and daily weights are vital to monitoring for this. You failed to complete this assigned duty X.

STATEMENT BY EMPLOYEE:  
[REDACTED]

RESOLUTION OF PROBLEM OR ACTION TAKEN  
Failure to complete assigned duties will result in further disciplinary action and/or suspension/termination.  
Read all MARS, Take care fully to ensure all orders are carried out.

Daniel Veneto Jr 3-18-98Kathleen Hodson RN  
Signature of Employee

**EMPLOYEE COUNSELING FORM**

**EMPLOYEE COUNSELING FORM**

DATE:

4-1-98

EMPLOYEE:

Kathy Hodson (PA)

PROBLEM:

On 3-30-98 resident OK [REDACTED] had  
IV ordered at 80cc/hour IVPB to run  
at 200cc/hour Ms. Hodson left IV infusing  
at 200cc/hour entire bag infused  
resulting in IV infiltration and fluid  
overload.

STATEMENT BY EMPLOYEE:

RESOLUTION OF PROBLEM OR ACTION TAKEN

Suspension April 2 1998  
any further medication error will  
result in termination

Mary DeLombSee my R/R 4/2/98Kathleen Hodson 4/2/98**EMPLOYEE COUNSELING FORM**

## EMPLOYEE COUNSELING FORM

DATE:

2/25/99

EMPLOYEE:

Kathy Hodson

PROBLEM:

On 2/15/99 you initialed, then circled O [REDACTED] treatment for O&B Bid as tolerated + cooperative, however, you did not document why you did not complete the treatment as prescribed by the physician.

See attached.

STATEMENT BY EMPLOYEE:

I accept responsibility. Do not explain why I circled 'O'. Retident did refuse to get O&B's. What I should've written on the back of T.R.

RESOLUTION OF PROBLEM OR ACTION TAKEN:

(Review ihs policy regarding documentation requirements when treatments are not completed for the physician's orders)

[Signature]

2/25/99  
Date

[Signature]  
Signature of Employee

3-1-99

## EMPLOYEE COUNSELING FORM

## EMPLOYEE COUNSELING FORM

DATE: 6-6-01  
EMPLOYEE: Kathleen Hodson, LPPA

## PROBLEM:

On 6-6-01  
D.K. [REDACTED] plowed me (her) drag on [REDACTED]  
It is her initials from 6-5-01 (even though)  
you had initialled it on 3-11 shift. Please  
be more careful.

## STATEMENT BY EMPLOYEE:

As this is 6-21-01 when I received this,  
I cannot remember. I probably forgot to circle  
it. I will circle it, I don't get to, if  
I am unable in the future.

## RESOLUTION OF PROBLEM OR ACTION TAKEN:

D. Marzilli, L.P.  
Supervisor of Scheduling

Kathleen Hodson, L.P.A.  
Supervisor of Scheduling

EMPLOYEE COUNSELING FORM

## Disciplinary Action Form

## Disciplinary Action Form

Date 11-15-01Name Kathy HodsonDept. 1012502 Nsg

## Disciplinary Action:

Verbal\* Written Written & Suspension Discharge 

## To the employee:

Your performance has been found unsatisfactory for the reasons set forth below. Your failure to improve or avoid a recurrence will be cause for further disciplinary action.

Details: Absenteeism: Policy is 6 separate occurrence within Any 12 month period. Employee absent on 1-22-01 1-23-01 1-24-01 Back hurts, 7-17-01 walked off the job (back), 9-9-01 back pain, 11-10-01 back hurts, & 5 absences. Any further absences will result in disciplinary action.

A copy of this warning was personally delivered to the above employee by:

Kathy Hodson, RN  
SupervisorSLHQ JK-P HK 11/15/01  
Date

I have received and read this warning notice. I have been informed that a copy of this notice will be placed in my personnel file.

Reviewed & refused to sign  
R/T "I'm on workman's comp & I miss  
b/c of my back"  
11/15/01 Date

## Disciplinary Action Form

### Disciplinary Action Form

Date 1-29-02

Name Kathy Thors

Dept. Nursing

#### Disciplinary Action:

Verbal\*  Written  Written & Suspension  Discharge

#### To the employee:

Your performance has been found unsatisfactory for the reasons set forth below. Your failure to improve or avoid a recurrence will be cause for further disciplinary action.

Details:

Notified of potential attendance problem

A copy of this warning was personally delivered to the above employee by:

Robi Del Ed

Supervisor

1-29-02

Date

I have received and read this warning notice. I have been informed that a copy of this notice will be placed in my personnel file.

Would not sign

Employee

Date

\*Completion of this form shall serve as documentation only and should not be filed in the employee's personnel file.

**Disciplinary Action Form****Disciplinary Action Form**

Date

1/29/02

Name

Kathleen Hobson

Dept.

NSG

**Disciplinary Action:**Verbal\* Written Written & Suspension Discharge **To the employee:**

Your performance has been found unsatisfactory for the reasons set forth below. Your failure to improve or avoid a recurrence will be cause for further disciplinary action.

**Details:** On 1/18, 1/19, 1/20 employee failed to punch in and out for lunch despite prior reminders to punch in and out for a 30 min lunch per 8hr shift. On 1/18, employee punched in 21 minutes early. On 1/19, employee punched in 14 minutes early. On 1/20 employee punched in 1hr and 3 minutes early. Employees are not to punch in more than 5 minutes early.

A copy of this warning was personally delivered to the above employee by:

You start take you 1/2" break  
Every Day you clock in we  
will schedule it along to your  
work schedule ex. Day

Dee Deig Rd ADOW

Supervisor

09/29/02

Date

I have received and read this warning notice. I have been informed that a copy of this notice will be placed in my personnel file.

\* repeated She has been to Bevy to take lunch.

Employee

Date

\*Completion of this form shall serve as documentation only and should not be filed in the employee's personnel file.

## Disciplinary Action Form

## Disciplinary Action Form

Date 14 May 02Name K. Hodson RNDept. NSG

## Disciplinary Action:

Verbal\* Written Written & Suspension Discharge 

## To the employee:

Your performance has been found unsatisfactory for the reasons set forth below. Your failure to improve or avoid a recurrence will be cause for further disciplinary action.

Details: Failed to Complete narcotic Count, Count

Found Incorrect, Failed to Document Narcotic

Given to Resident, on 13 May 02.

\* Employee was provided Education Materials "Managing Control over Controlled Drugs," Its Hazard

A copy of this warning was personally delivered to the above employee by:

Debra J. Morgan, R.N., D.O.B.  
Supervisor

Date

I have received and read this warning notice. I have been informed that a copy of this notice will be placed in my personnel file.

Employee

Keke Hodson RN

5/14/02

Happy Nurses' Week

You also, the supervisor, "penciled in" your name and the next day, asked you to sign in the space, in the book provided. I very seldom forget to sign off that's why. I can't understand being written up for this. I see several all blank spaces in the narc book & I asked [REDACTED] about them. He said I wasn't to worry about anyone else this was about me, only. K. Hodson 5/14/02

BES - BAYSIDE  
PUNCH DETAIL REPORT  
Current pay period

05/20/02 11:37a Page 1

20030517 248p*U		1012502	88---F-				
ID	IN DEPT	OUT	ID IN DEPT	OUT	TOTALS		
Fri	248p*U	322p			0.50	0.50	

Dept:1012502 LTC NON-CERTIFIED LPN  
REG: 0.50

EXHIBIT

"F"

NORTHWEST		AMBASSADOR	
50-1	S [REDACTED] P [REDACTED]	66-1	M [REDACTED] J [REDACTED]
50-2	C [REDACTED], B [REDACTED] S [REDACTED]	66-2	F [REDACTED] F [REDACTED]
51-1	K [REDACTED] M [REDACTED] MOD	67-1	J [REDACTED] C [REDACTED]
52-1	S [REDACTED] H [REDACTED]	67-2	B [REDACTED] M [REDACTED]
52-2	S [REDACTED] R [REDACTED]	68-1	V [REDACTED] H [REDACTED] S [REDACTED]
53-1	G [REDACTED], R [REDACTED] - A [REDACTED]	68-2	C [REDACTED] R [REDACTED]
54-1	L [REDACTED], M [REDACTED] - S [REDACTED]	69-1	G [REDACTED] G [REDACTED] S [REDACTED]
54-2		69-2	K [REDACTED] R [REDACTED] MOD
		70-1	M [REDACTED] J [REDACTED]
		70-2	D [REDACTED] D [REDACTED]
		71-1	P [REDACTED] L [REDACTED]
		71-2	S [REDACTED] M [REDACTED]
		72-1	C [REDACTED]
		72-2	R [REDACTED] H [REDACTED] S [REDACTED]
		73-1	S [REDACTED] A [REDACTED]
		73-2	M [REDACTED] E [REDACTED]
		74-1	C [REDACTED] A [REDACTED]
		74-2	A [REDACTED], O [REDACTED] N [REDACTED]
		75-1	B [REDACTED] J [REDACTED] N [REDACTED]
		75-2	N [REDACTED] B [REDACTED] MOD

TOTAL = 20

Total CALS = 9'

EXHIBIT

"G"

HA = 3.5 (4)  
TOTAL = 20  
SUPERVISION = 6  
MOD = 4  
MED = 3  
MIN = 1

SUPERVISION = 7  
MOD = 2  
MED = 1  
MAX = 1  
CNA = 2

May 17, 2002.

Meeting 17 May 2002 w/ Kathy Hodson, David Drageson, Sheld H. St (Human Resource) and myself (Cathy Kinoz RN - unit manager).

David "what's your issue"

Kathy Hodson - "I can't work that Hall"  
(referring to N.W. Hall)

David - "why?"

Kathy Hodson "I can't"

David "Why?"

Kathy H "I can't"

David : "You have to give me a reason"

Kathy H : I don't have to tell you

David : What are your restrictions --

20# LIFT & NO PUSHING

NO PULLING

Kathy H : I was told that N.W Hall  
is the hardest hall in the building

David : All you need to do is follow  
your restrictions and get help  
when you need it.

Kathy H : That's it I'm leaving

Cathy m: Kathy if you leave you will  
be terminated for ~~abandon~~  
abandonment

Kathy H : No I won't because I  
- 10.10 or worked in

Cathy M: - Kathy, when was the last time you worked flat hall (new)

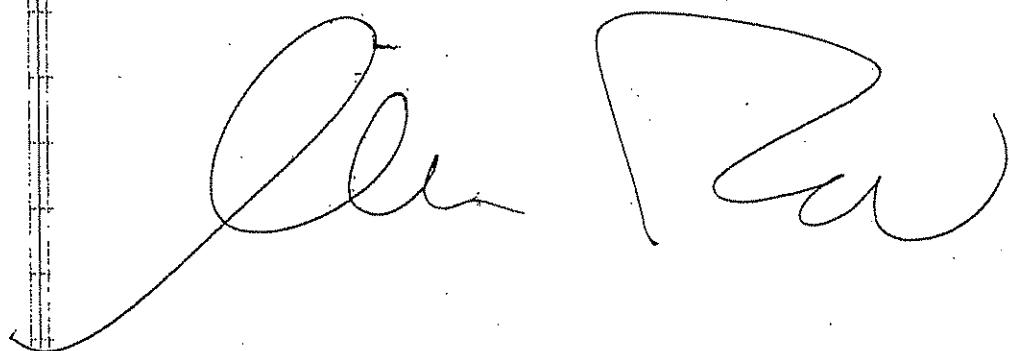
Kathy H: - I haven't worked flat hall

Cathy M: - Kathy your restriction list nothing in regard to the # of residents on a hall or the security - so how can you say your not working flat hall

Kathy H: "That's it I'm leaving"

Cathy M: If you leave your & Dave pos. for will be terminated

Kathy H: Well I'm leaving



5.17.02

## Disciplinary Action Form

## Disciplinary Action Form

Date 17 May 02Name Cathy Hodson CNDept. ONSG

## Disciplinary Action:

Verbal\*  Written  Discharge  Written & Suspension  Discharge

## To the employee:

Your performance has been found unsatisfactory for the reasons set forth below. Your failure to improve or avoid a recurrence will be cause for further disciplinary action.

Details: CPN was assigned new Hall on 17 May 3-11p shift. CPN came to D.O.W. ch. She could not unlock that Hall & was not in her restriction. I told her, her restrictions were as per restriction, no Railing or Lifting/lifting NO staffed what hall you are on. She stated "then I'm leaving". I told her if you leave you are done, you will no longer be employed here. CPN said then I'm leaving.

A copy of this warning was personally delivered to the above employee by:

Supervisor17 May 02

I have received and read this warning notice. I have been informed that a copy of this notice will be placed in my personnel file.

EmployeeDate

EXHIBIT

"I"

**GENERAL ORIENTATION PROGRAM MANUAL**

**MISSION AND QUALITY STATEMENTS**

**The IHS Mission**

To provide our patients/residents with the highest quality of cost-effective medical care, while continually recognizing:

■ The human dignity of patients/residents.

■ The personal investment of employees.

■ The healthcare needs of the communities in which we operate.

■ The financial expectations of investors.

**IHS Quality Statement**

Quality means meeting the needs and surpassing the expectations of our patients/residents, physicians, payors, employees, stockholders, and the communities we serve through teamwork and commitment to a process of continuous improvement. Achieving quality is a process of regular measurement, systematic feedback, continuous improvement, and innovation.

**IHS Purpose Statement**

Our purpose is to be the employer and provider of choice, delivering value added services; exceeding customer and financial expectations.

Original: 01/94  
Revision: 09/96

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HO-8

**EXHIBIT**

"J"

## GENERAL ORIENTATION PROGRAM MANUAL

# WELCOME TO INTEGRATED HEALTH SERVICES, INC. (IHS)

We at Integrated Health Systems, Inc. (IHS) welcome you to our team. We sincerely hope that this will be the beginning of a mutually rewarding relationship. At IHS, we believe that we have a responsibility to provide the highest quality health care to our patients/residents. Each employee is to work toward this standard.

The growth and progress of any company depends on its people...people with initiative, creativity, and enthusiasm, working in an atmosphere of respect and harmony. We have such people at IHS.

We are a growth oriented company and we invite you to grow along with us by taking advantage of the many opportunities open to you. We believe that you will share the pride and satisfaction we have in being able to participate in the future and progress of IHS.

In your position, you have become a part of a company which is building a reputation in our industry for the highest quality service, courtesy, and professionalism. You were selected because we believe you have the potential and desire to meet these high standards and will help us maintain our position of leadership.

IHS promotes an atmosphere of open two-way communication and cooperation by keeping our employees informed of goals, procedures, and other activities which may be of interest to them. This orientation program reflects that thinking.

All departments within Corporate IHS are here to serve you and we ask that you use us as a resource and a support system.

Original: 01/94  
Revision: 09/96

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HO-9

## GENERAL ORIENTATION PROGRAM MANUAL

# **IHS: THE COMPANY, PHILOSOPHY, MISSION, GOVERNANCE AND CULTURE**

When you join IHS, you become part of a leading national health care organization committed to serving the public with care and compassion. From your first day at work, we'll be counting on you to do your best to help us maintain the standards of clinical excellence our customers expect. You'll join thousands of others throughout the nation whose daily efforts make IHS the Provider of Choice.

We try to maintain a work atmosphere that will enable you to achieve your fullest potential. Our approach to work has always been results-oriented, quality-based, customer-focused, and founded on shared values of teamwork, trust, integrity, compassion, and respect for the individual. We strive to deliver only the best for our high-caliber team of employees and for all those who depend on our care. In an industry where change is perhaps the only thing that's constant, those high standards will never be altered.

IHS has been a pioneer and leader in innovative health care delivery for nearly a decade. Founded by a practicing physician in 1986. IHS offers alternatives to traditional medical care models which can substantially lower costs, help maintain reasonable hospital levels, and provide even greater quality of care.

Integrated Health Services, Inc. ("IHS" or the "Company") is a medical services company focused on providing post-acute care to a wide variety of patients/residents. The Company's strategy is to use geriatric care healthcare centers as an alternative site to provide a wide range of medical and rehabilitative services which traditionally have been provided in the acute care hospital, but at a significantly lower cost than hospital based care. The Company provides subacute care through medical specialty units ("MSUs") located within its healthcare centers.

IHS is a highly diversified health services provider, offering a broad spectrum of subacute and post-acute medical rehabilitative services through its post-acute healthcare system. IHS's post-acute services include subacute care, inpatient and outpatient rehabilitation, respiratory therapy, home healthcare, hospice care, and diagnostic services, supporting the full continuum of healthcare needs.

Original: 01/94  
 Revision: 09/96

**GENERAL ORIENTATION PROGRAM MANUAL**  
**IHS PRODUCTS**

*Catastrophic Injury Rehabilitation*

*Dysphagia Management*

*General Rehabilitation*

*Infectious Disease Management*

*Nutritional Support/Management*

*Pain Management*

*Renal Management*

*Post Surgical Recovery*

*Pulmonary Rehabilitation*

*Deep Vein Thrombosis*

*Diabetes Management*

*COPD Management*

Original: 01/94  
Revision: 09/96

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## GENERAL ORIENTATION PROGRAM MANUAL

# CORPORATE ORGANIZATIONAL STRUCTURE

### CORPORATE OFFICE DEPARTMENTS

Accounting	Internal Audit
Accounts Payable	Investor Relations
Acquisitions	Legal
Administration	Managed Care
Clinical Services	Operations (Field and Corporate)
Communications/Marketing	Outcomes Management and Research
Development	Payroll
Environmental Services	Purchasing/Materials Management
Facility Financial Services	Reimbursement
Finance	Risk Management
Health Benefits	Treasury
Human Resources	
Information Services	

### CORPORATE ORGANIZATIONAL STRUCTURE

The Company is organized as follows: Chief Executive Officer, Chief Operating Officer, Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, Directors, Managers, and remaining corporate staff.

### KEY CORPORATE PERSONNEL

Robert N. Elkins, M.D. has been Chairman of the Board and Chief Executive Officer of the Company since March 1986 and also served as President from March 1986 to July 1994. From 1980 until founding IHS in 1986, Dr. Elkins was a co-founder and Vice President of Continental Care Centers, Inc., an owner and operator of long term healthcare centers. From 1976 through 1980, Dr. Elkins was a practicing physician. Dr. Elkins is a graduate of the University of Pennsylvania, received his M.D. degree from Upstate Medical Center, State University of New York, and completed his residency at Harvard Medical Center.

Lawrence P. Cirka, has been President and Chief Operating Officer and a director of the Company since July 1994, and served as Senior Vice President and Chief Operating Officer of the Company from October 1987 to July 1994. Prior to joining IHS, Mr. Cirka served in various operational capacities with Unicare Healthcare Corporation, a long-term health care company, for 15 years, most recently as Vice President - Western Division, where he had operational and financial responsibility for 46 long-term healthcare centers exceeding 5,000 beds. Mr. Cirka is a graduate of Clarion University and Licensed Nursing Home Administrator in Pennsylvania, Florida, and Washington.

## GENERAL ORIENTATION PROGRAM MANUAL

### **DEFINITION OF SUBACUTE CARE AND MEDICAL SPECIALTY UNIT (MSU)**

Advances in medical technology, coupled with increasing pressures to reduce the soaring cost of hospital acute care, have recently altered long-held assumptions about the types of healthcare centers in which patients/residents should be treated. As a result, subacute care centers are viewed as a preferable care alternative for many seriously ill, but medically stable patients/residents. These patients/residents no longer need acute care hospital services, yet still require highly skilled nursing, rehabilitative care, and technologically advanced therapies.

Pioneered and perfected by IHS, subacute care is practical in the Medical Specialty Unit (MSU) - a "mini-hospital" center offering advanced technologies and medical care - all in a comforting high-tech environment conductive to recovery.

The Company's MSU's are 10 to 50 bed subacute specialty care units located within discrete areas of IHS' healthcare centers, with physical identities, specialized medical technology and medical staffs separate from the geriatric care healthcare centers in which they are located. An acute care nurse, or a nurse with similar qualifications, serves as Unit Manager of each unit, which is staffed with nurses having experience in the acute care setting. The operations of each MSU are generally overseen by a board certified specialist in that unit's areas of treatment. The patients/residents in each MSU are provided with a high degree of monitoring and specialized care similar to that provided by acute care hospitals. The physiological monitoring equipment required by the MSU is often equivalent to that found in the acute care hospital. The company opened its first MSU program during the fourth quarter of its 1988 fiscal year and approximately one-third of all MSU patients/residents are under the age of 70.

Although each MSU has the treatment capabilities of an acute care hospital in the MSU's area of specialization, the Company believes the per diem treatment costs are generally 30% to 60% less than in acute care hospitals, also a cost effective alternative for risk contracts, and the MSU is less "institutional" in nature than the acute care hospital. Also, unlike in an acute care hospital where visiting hours are fixed, families may visit MSU patients/residents whenever they wish and family counseling is provided. In marketing its MSU programs to insurers and healthcare providers, IHS emphasize the cost savings of its treatment as compared to acute care hospitals. The Company emphasizes the improved "quality of life" compared to acute care and long-term care hospitals in marketing its MSU programs to hospital patients/residents and their families.